

**COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION**

FISCAL NOTE

L.R. No.: 1933-01
Bill No.: HB 602
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
Dept; Teachers
Type: Original
Date: March 12, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue	(\$651,000 to \$2,001,000)	(\$900,000 to \$2,250,000)	(\$900,000 to \$2,250,000)
Total Estimated Net Effect on General Revenue Fund*	(\$651,000 to \$2,001,000)	(\$900,000 to \$2,250,000)	(\$900,000 to \$2,250,000)

*Subject to appropriation; language indicates "shall"

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
School Districts*	\$900,000 to \$2,250,000	\$900,000 to \$2,250,000	\$900,000 to \$2,250,000

***Subject to appropriation; language indicates "shall"**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the State Board of Education could require as many as 21 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$861 for FY 2004. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would award salary supplements to priority schools. Priority shall be given to unaccredited and provisionally accredited school districts, with each school building receiving

ASSUMPTION (continued)

the lesser of 5 grants or one grant per fifty pupils enrolled in the building. No single school district shall receive more than 25 grants. An annual \$3,000 salary supplement shall be granted to teachers meeting qualifications established by the state board of education.

According to DESE, the 2001-02 Report of Public Schools of Missouri identifies 29 provisionally accredited and 1 unaccredited school district. Most of the provisionally accredited districts appear to have at least two school buildings; therefore, DESE calculated an estimated range as follows:

30 districts	x	5 grants	x	2 school buildings	x	\$3,000	=	\$ 900,000
30 districts	x	25 grants	x	\$3,000			=	\$ 2,250,000

The Governor's State of the State Address proposed eliminating the existing Missouri Teacher Education Scholarship program and establishing this program in its place. DESE currently has \$249,000 budgeted for the Missouri Teacher Education Scholarship program. The State of the State proposed payments to 500 new teachers each year. This falls within the DESE estimated range of 300 to 750 supplements.

Oversight assumes, for fiscal note purposes, that the existing \$249,000 budgeted for the Missouri Teacher Education Scholarship program would be used for the new grant program, reducing the initial new appropriation for this program.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Savings</u> - Dept of Elementary and Secondary Education (DESE) - Elimination of Teacher Scholarship Program	\$249,000	\$0	\$0
<u>Cost</u> - DESE-Salary Supplement Grants*	(\$900,000 to <u>\$2,250,000</u>)	(\$900,000 to <u>\$2,250,000</u>)	(\$900,000 to <u>\$2,250,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$651,000 to \$2,001,000)</u>	<u>(\$900,000 to \$2,250,000)</u>	<u>(\$900,000 to \$2,250,000)</u>

*Subject to appropriation; language indicates "shall"

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

Y 2006

**HIGH PRIORITY SCHOOL
DISTRICTS**

Income - Teacher Salary Supplements*

\$900,000 to
\$2,250,000

\$900,000 to
\$2,250,000

\$900,000 to
\$2,250,000

**ESTIMATED NET EFFECT ON
HIGH PRIORITY SCHOOL
DISTRICTS**

\$900,000 to
\$2,250,000

\$900,000 to
\$2,250,000

\$900,000 to
\$2,250,000

*Subject to appropriation; language indicates "shall"

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

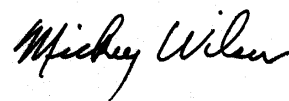
DESCRIPTION

This proposal directs the Department of Elementary and Secondary Education to award, subject to appropriation, salary supplement grants to priority schools employing high quality teachers. The grants shall be awarded to eligible teachers as salary supplement grants of three thousand dollars. In distributing the grants, preference shall be given to unaccredited and provisionally accredited school districts and school buildings identified as academically deficient. Any salary supplement shall be in addition to the base salary to which the teacher would otherwise be entitled. The proposal instructs the state Board of Education to establish by administrative rule the qualifications for high quality teachers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Administrative Rules Division



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